

WIFA Resolution 2023-027 – IDE Technologies’ Proposal

Water Infrastructure Finance Authority of Arizona

Section 1: Resolution

WHEREAS, pursuant to A.R.S. §§ 49-1201 and 49-1303, IDE submitted a proposal dated December 11, 2022, for consideration related to Arizona’s Long Term Water Augmentation Fund (the “IDE proposal”); and

WHEREAS, the IDE proposal requires IDE to construct, operate, and maintain an integrated water supply system consisting of a desalinization plant for water procured from the Sea of Cortez, Mexico, and the infrastructure for a conveyance system and distribution hub; and

WHEREAS, the Arizona Commerce Authority represents that it has worked with other state agencies in conjunction with IDE related to the project to import water from Mexico into the State of Arizona; and

WHEREAS, the desalinization plant and resulting imported water may assist the State of Arizona in meeting its future water needs; and

WHEREAS, the IDE proposal may assist in attracting new companies to the State of Arizona; and

WHEREAS, the Water Infrastructure Finance Authority desires to allow staff to further explore the proposal and ensure the competitive advantage of the State of Arizona,

NOW, THEREFORE, BE IT RESOLVED BY THE ARIZONA WATER INFRASTRUCTURE FINANCE AUTHORITY THAT:

1. The Staff is directed to provide a written analysis of the IDE proposal and other actions, not referenced herein, necessary by the Water Infrastructure Finance Authority to effectuate this Resolution.

2. Upon a demonstration to the satisfaction of the Executive Committee of the Water Infrastructure Finance Authority that the IDE proposal meets the requirements of A.R.S. §§ 49-1201, 49-1302, and 49-1303, the Chairman of the Water Infrastructure Finance Authority Board (Chairman) is authorized, with the assistance of Staff, legal counsel, and the Executive Committee, to discuss a non-binding term sheet to provide a commitment to purchase, or cause to be purchased, up to 300,000 acre-feet of water per year in phase one and up to 1,000,000 acre-feet of water per year total in subsequent phases at the request of WIFA for importation into the State of Arizona as further designated by the Water Infrastructure Finance Authority.

3. Such non-binding term sheet must include a condition that contractual assurances by water users and distributors, including private companies, utilities, municipalities, tribes, or other public subdivisions of the State of Arizona are in place to purchase the water referenced in Section 1 of this Resolution before any financial commitment becomes binding on the Water Infrastructure Finance Authority.

4. After the Chairman, with the assistance of Staff, legal counsel, and the Executive Committee, negotiates the non-binding term sheet, it must be presented to the Long-Term Water Augmentation Fund Committee and then the full Water Infrastructure Finance Board for consideration. If the non-binding term sheet is approved by those two bodies, the Chairman will be authorized to execute the non-binding term sheet on behalf of the full Water Infrastructure Finance Authority Board.

5. The term of any agreement may not exceed 100 years.

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6. During the discussions contemplated herein and the term of the non-binding term sheet, the Chairman, with the assistance of Staff, legal counsel, and the Executive Committee, are directed to coordinate with IDE on any permitting, authorizations, consents, or licensing necessary by a governmental entity, including in Mexico, related to the IDE proposal. However, nothing in this agreement shall, constitute a binding commitment on the State of Arizona unless pursuant to an executed water purchase agreement or other similar agreement form. A negotiated non-binding term sheet does not qualify under this Section 6.

7. The Board retains the right to terminate any non-binding term sheet prior to the execution of a water purchase agreement or other similar agreement in its sole discretion.

PASSED AND ADOPTED by the Water Infrastructure Finance Authority of Arizona this 20th day of December 2022.

Water Infrastructure Finance Authority of Arizona

Chair

Attest:

Water Infrastructure Finance Authority of Arizona
Executive Director